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# CIA: Soviet spending beats U.S.

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 Associated Press

WASHINGTON — The CIA, renewing the annual controversy over U.S. and Soviet military spending, says the dollar value of Soviet defense investment still far surpasses American outlays.

The agency's report, presented to a House Intelligence subcommittee Wednesday, was attacked yesterday by Sen. William Proxmire (D-Wis.) as "a gross exaggeration of the military spending levels of the Soviet Union."

Critics annually complain that the CIA's estimates are too high or too low or simply not relevant.

And even the official who presented the report — Robert Huffstutler, the CIA's director of strategic research — told the House panel that "dollar valuations still measure input rather than output and should not be used as a measure of the relative effectiveness of U.S. and Soviet forces."

But his disclaimer apparently wasn't enough for Proxmire, who said the CIA's comparison "may well be the underlying basis for having turned the Congress and the country around and persuaded us to waste literally billions on military spending on the mistaken assumption that ... the Soviet Union spends more and in the process builds a more powerful military force than the United States."

Huffstutler said the Soviet Union spent the equivalent of about \$165 billion in U.S. dollars on military equipment, wages and development last year, or about 50 percent more than U.S. outlays for comparable expenses.

But Proxmire said such a comparison exaggerated Soviet strength because lack of efficiency prevents the Soviets from doing as much with their spending as the United States does.

"The Soviets keep their military spending secret. To reach its estimates, the CIA tries to learn what weapons they are building, what missiles they are developing and how many soldiers they are paying, then decides how much it would cost to do the same things in the United States.

Several critics of the estimates, testifying at the subcommittee hearing, took the opposite position from Proxmire, saying that the likelihood that the Soviets successfully hide some military development probably leads to low estimates for Soviet spending and results.

Huffstutler acknowledged that the estimates were "subject to errors and limitations." But he also said the CIA was confident that it was close to reality in estimates that the Soviets have been increasing military spending at a rate of about 3 percent a year in dollar value and about 4 percent or 5 percent a year in rubles in recent years.

He said those estimates remained useful as measures of "the Soviets' overall commitment to their military and of the priorities that they attach to individual defense programs."

U.S. military spending went down after the Vietnam War but has rebounded in recent years and could rise as much as 16 percent in fiscal 1981, not discounting for inflation and depending on the final figure Congress accepts.

Huffstutler said about half the estimated Soviet defense spending since 1965 had been for weapons, equipment and buildings, nearly one-third has been for operating costs, and a smaller but growing percentage has been for research and weapons development.

For the future, he said, "the current and projected decline in Soviet economic growth raises questions about the USSR's ability to continue increasing defense spending."

But he concluded, "Whatever choices they make with regard to defense spending, we think it highly unlikely that, even in the longer term, economic difficulties will force a reversal of the Soviet leaders' longstanding policy of continuing to improve their military capabilities."